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1.0 THE EAST AFRICAN COMMUNITY-US GOVERNMENT PARTNERSHIP

1.1 BACKGROUND

The U.S. Government (USG) has a long history of partnership with the East African Community (EAC). On September 23, 2009, USG, through the United States Agency for International Development (USAID) East Africa, approved the Assistance agreement No. 623-AA-09-002-00-EAC. The primary objective of USG assistance to be achieved through the Assistance Agreement for Comprehensive Development (AA-RCD) is to increase Regional Economic Growth and Integration in the EAC region. This corresponds with the EAC Mission of "widening and deepening economic, political, social and cultural integration in order to improve the quality of life of the people of East Africa through increased competitiveness, value added production, enhanced trade and investment."

USAID's total estimated contribution to the achievement of the aforementioned assistance objective is $18,000,000, subject to the availability of funds and the completion date of September 30, 2017. In line with the USG funding policy, funds are disbursed on annual basis following signing of amended agreement operationalized through Implementation Letters (ILs). The total contribution up to the current Amendment (seventh Amendment), signed on 26th February 2014 is $13,056,000.

1.2 SUPPORT PRIORITY AREAS

USG support to the EAC cuts across sectors of Trade and Customs; Food Security and Food Safety; Clean Energy, Climate Change, Biodiversity and WASH; Health and Institutional Strengthening Support.

1.2.1 Trade and Investment

One of the economic integration goals is to have a fully-fledged Customs Union enabling free movement of goods across the region. EAC Secretariat has undertaken activities within its responsibility of initiating policies on customs and related trade matters in the Community and the coordination of such policies in the Partner States. The aim is to increase intraregional trade flows as a result of a functioning EAC Customs Union and Common Market.

1.2.2 Food Security and Food Safety

The support falls under implementation of the EAC Food Security Action Plan and is aligned to USAID Feed the Future (FtF) framework program element 4.5.1 on Agriculture Enabling Environment. The Action Plan was developed to address food insecurity in the region. It was adopted by the 9th Extra-Ordinary Summit of EAC Heads of State held in Dar es Salaam, Tanzania on 19th April 2011.
The plan covers five main priority areas which aim at creating an enabling policy, legal and institutional framework; increasing food availability in sufficient quantity and quality; improving access to food; improving stability of food supply and access in the EAC region; enhancing efficiency of food utilization, nutrition and food safety.

Under this priority area, a comprehensive multisectoral regional project aimed at preventing and controlling adverse impacts of Aflatoxin along the food and feed value chains in the EAC region was designed. Expected long-term impacts include availability of aflatoxin safe products and reduced impacts of aflatoxin on human and animal health, trade and the environment.

1.2.3 Clean Energy

The support to clean energy aims at reducing policy, regulatory, and institutional barriers to clean energy investments in the region and creating the necessary and critical conditions for accelerated deployment of renewable energy and energy efficiency projects.

1.2.4 Climate Change, Biodiversity and WASH

The support is provided through Planning for Resilience in East Africa through Policy, Adaptation, Research and Economic Development (PREPARED) Program, a five year USAID funded program aimed at mainstreaming integrated, multi-sectoral, evidence-based, climate-resilient development planning and program implementation into the East African Community (EAC) and its Partner States' development agendas.

1.2.5 Population Health and Environment (PHE)

Cognizant of the inter-relationships and the inter-linkages between environment and health, an integrated Population, Health and Environment (PHE) Program that addresses in an integrated manner the multifaceted health and environmental challenges was designed.

1.2.6 Institutional Strengthening Support

Activities in this area contribute to the broad EAC objective of developing policies and programs aimed at widening and deepening cooperation among the Partner States. The aim is to provide additional staff and organizational support to the EAC and LVBC to implement regional programs of mutual interest to both Parties.
2.0 STATUS OF IMPLEMENTATION AND KEY ACHIEVEMENTS

The year has been a success in terms of implementation and achievements compared to the previous years. This was due to the recruitment of dedicated USAID supported staff during FY 2013/14 and improved planning and coordination of USAID funded activities. The annual expenditures in FY 2013/14 (USD 2,930,977) exceed the entire aggregated expenditure from the previous years (USD 2,623,580). The annual expenditure has tripled from USD 819,355 in FY 2012/13 to 2,878,254 in FY 2013/14.

2.1 TRADE AND INVESTMENT

2.1.1 CUSTOMS

Under this priority, several interventions were supported and we are continuously registering impact in the following areas:

i) Development of Single Customs Territory Instruments

The Single Customs Territory (SCT) is a stage of full attainment of the customs union, which is attainable by the removal of duties and other restrictive regulations and/or minimization of internal border customs controls on goods moving between Partner States with the ultimate realization of free circulation of goods. In 2012, the Summit of Heads of State of the five EAC Partner States in principle adopted the Destination Model of clearance of goods where assessment and collection of revenue at the destination. In November 2013, the Summit approved and signed the framework and declared the commencement of the road map for attainment of the single customs territory. The EAC Customs Committee, at its Meeting held in January 2014, formed five technical working groups namely, Business flows and legal, Information and communication technology (ICT), Compliance and enforcement, Capacity building and change management, Inter-agency cooperation to steer the implementation of various activities targeted to ensure that requisite policies, structures and infrastructure for the SCT implementation are fully operational.

Key achievements:

The following instruments for operationalization of the EAC Single Customs Territory have been developed:

- SCT business process manual has been developed. The manual covers clearance procedures of cargo from Dar-es-salaam or Mombasa Ports for Home Consumption, Warehousing, Transit, Export, goods transferred within the Community and key support provisions that will make the SCT operational.
- ICT TWG has developed the required IT solutions based on Business processes, use cases and current network infrastructure operating in the Partner States.
Customs systems i.e. SIMBA (KRA), ASYCUDA (Uganda, Rwanda, and Burundi) and TANCIS (Tanzania).

- Legal experts reviewed the existing laws and regulations that cater for Cross Border ICT, Regional Bond, and transfer of goods and further analysed the business processes and compliance and enforcement. The legal experts proposed amendments to the East Africa Customs Management Act (EACCMA) and other Regulations to cater for the SCT.
- Compliance and Enforcement TWG developed a framework to address issues related to compliance management, policies, business process and operational risks that are critical to the implementation of an effective Single Customs Territory.
- Key capacity building and change management interventions were identified and relevant tools to support the implementation of the SCT were developed. These include Brochures for public and Staff, Frequently Asked Questions (FAQs), Induction Course, SCT Training Materials, Roll-up Banner messages, Capacity Building and Sensitization Programme.

**Outcomes/Impact**

The implementation of the SCT and real time sharing of customs information upon arrival of goods at the port will lessen internal border controls, which are currently in place along the Northern and Central Corridors. This will enable shorter clearance/cargo movement time between the port and destination. The piloting on Northern Corridor has proven that turnaround time of trucks to from Mombasa to Kampala has reduced from 18 days\(^1\) to 4 days and to Kigali has reduced from 21 days to 6 days. The single declaration system will reduce documentation currently used to release goods up destination by 80%.

- The interface of the Port Authorities Systems with the Customs Systems will create real time clearance of goods since owners are allowed to pay for port charges in their respective countries where the port authorities have set up offices. The objective is to clear goods at the port in less than 2 days.
- Simplifying and minimizing border processes will encourage cross border trade particularly of Small to Medium Enterprises (SMEs) and informal sector for locally produced goods, hence stimulating economic growth and poverty reduction.

### ii) Single Customs Territory Sensitization and Capacity Building

Following the directive by the Summit that the Single Customs Territory be operationalized from January 2014 and all preparations be made between January and June 2014 so as to have the SCT fully functioning in July 2014, it was critical that the stakeholders be made aware of this development. The Committee on Customs formed Technical Committees among them the Capacity Building and Change Management Technical Working Group. The agenda of the CB&CM TWG is to sensitize, create awareness and build capacity to implement the SCT in the

\(^1\) EAC Regional Time Release study on the Northern corridor -2012
Community. The smooth implementation of the Single Customs Territory depends on full participation of all stakeholders. Sensitization to create awareness and build capacity to operationalize the SCT is critical throughout the project implementation period. The efforts on sensitization and capacity building on the SCT are founded against a previously negative publicity or misreporting on the SCT in the media and limited outreach to the stakeholders at the initial stages.

**Key achievements:**

The Capacity building and Change Management Technical Working Group developed sensitization and capacity building tools among them brochures, Frequently Asked Questions, roll-up banners, SCT sensitization and training materials and induction programme. With the support of USAID/EATH Project the materials were published/produced and distributed to Partner States for use. The EAC Secretariat in conjunction with the Partner States organized national sensitization workshops in all the capital cities where between 100 to 190 stakeholders were reached in each event.

In addition, EAC Secretariat organized a regional sensitization programme on Central Corridor covering Dar es Salaam, Bujumbura, Kobero / Kabanga and Rusumo. In all the workshops structured approach to sensitizing and creating awareness among the stakeholders was adopted. A capacity building workshop for Customs Administrations on the SCT procedures was organized where 25 participants, 5 from each Partner States attended. The media was invited to participate and cover the events, which further created the platform to reach out even to a wider population of stakeholders through the print and electronic media. The reportage during this period was factual and favourable to the agenda of the SCT. Major concerns raised by stakeholder are to do with fear of loss of jobs and fear of the unknown. In Tanzania, the stakeholder expressed concern that they are not well informed of the SCT and that they need to understand this concept better to support it and facilitate its implementation.

**Outcomes/Impact**

The feedback from stakeholders indicates increasing appreciation of the SCT with recommendation for streamlining operational and system issues on the ground. The awareness on the benefits accrued on the Northern Corridor is increasingly creating a positive appreciation of the Single Customs Territory.

**iii) Quality Assurance for the Single Customs Territory ICT solutions**

The EAC Secretariat set up Technical Working groups (TWG) to operationalize the Single Customs Territory (SCT) among which was the Information and Communication Technology (ICT) TWG which has developed the required IT solutions based on Business processes, Business Use Cases (BUCs) to interface Partner States Customs systems i.e. SIMBA (KRA), ASYCUDA (Uganda, Rwanda, and Burundi), TANCIS (Tanzania) and RADDeX.
EATH provided Quality Assurance technical assistance to the ICT TWG to ensure that the SCT ICT platform is aligned with the Business Process Flows and BUCs.

**Key achievements**

- Capacity building to the Project Core Teams to enhance their understanding of the Software Quality Assurance (SQA) processes.
- Development and test execution of the SCT interfaces;
- Strategy document for a centralized solution for the SCT ICT system building on the experiences and lessons from RADDEEx 2.0.

**iv) Regional Time Release Study on the Central Corridor**

The EAC Committee on Customs in May 2013 approved the Time Release Study to be conducted by the Secretariat on the Central Corridor. The main reasons for conducting a Regional Time Release Study were to:

- Establish the clearance and transit time from the port of Dar es Salaam to Bujumbura via Kobero/Kabanga border posts and Kigali via Rusumo border post;
- Disseminate information on the regional TRS;
- Share experiences on TRS among EAC Partner States;
- Develop capacity in the region to undertake regional TRS;
- Identify bottlenecks and inform the design of trade facilitation measures.

**Intervention scope**

- Import process from Dar-es-Salaam to Bujumbura/Kigali through Kabanga-Kobero /Rusumo
- Export process from Bujumbura/Kigali to Dar es Salaam through Kobero-Kabanga/Rusumo
- Imported Containerized Cargo
- Imports that are cleared for home consumption at Bujumbura/Kigali shall be included
- Interventions along the route Dar es Salaam to Bujumbura/Kigali covered by the study include (Weigh bridges, police checkpoints, Customs checkpoints and any other OGA intervention).

**Key Achievements**

- The study began in February 2014 with a planning workshop in Dar-es-Salaam.
- Sensitization of stakeholders took place in May 2014 at various capitals and border points in the concerned partner states.
- Questionnaires were administered distributed in June 2014 along the corridor

The final report will be ready by October 2014.
v) **Develop Policy for the Establishment of a Single Window System**

To fulfil its mandate of supporting application and interfacing of information technology in customs administration, the Secretariat is coordinating implementation of the electronic Single Window for trade in Partner States to facilitate the performance of import, export or transit-related formalities, by offering a single point of submission of standardized data and documents in a bid to fulfil official requirements and facilitate logistics.

**Key Achievements**

A Regional Technical Working Group on the Single Window System comprising of Experts from all the Partner States has been formed:

- National Single Window Technical Committees have been established in all the Partner States;
- A provision encouraging the adoption of Electronic Single Window Systems in border operations has been included in the One |Stop Border Post (OSBP) law;
- Convened an inaugural meeting of the Regional Technical Working Group
- Developed terms of reference for a consultancy assignment to develop a draft framework.

This activity is expected to be finalised by November 2014.

vi) **Review of the EAC Customs Management Act and Regulations**

As part of supporting customs operations and especially the operations under the Single Customs Territory, the experts have reviewed the Act and Regulations and identified provisions that require amendment. The experts together with the motor vehicle assemblers have also reviewed the legal framework relating to motor vehicle assemblers and have developed the legal text. The regulations are yet to be finalized but they have been presented to the Council and the Council is in agreement with the approach.

**Key Achievements**

- The proposed provisions of the Act to be reviewed have been identified and the amendment Bill drafted
- The proposed provisions of the Regulations to be reviewed have been identified and draft proposed for Council approval
- Draft Regulations for motor vehicle assemblers developed

The draft will be considered by SCTIFI in November 201, then refined by the Attorneys General in February 2015 before final adoption in May 2015.
2.1.2 TRADE

Under this priority area, four interventions were supported:

i) Development of EAC Trade Help Desk

In collaboration with the EAC, EATH developed the EAC Trade Helpdesk [www.tradehelpdesk.eac.int](http://www.tradehelpdesk.eac.int), a web-based tool that allows users to query EAC import and export trade statistics by country of origin and destination, as well as applicable tariff and trade regulatory requirements (such as rules of origin and non-tariff requirements). The system also includes EAC Gazettes and Duty Exemptions offered by partner states. National Bureaus of Statistics in each of the EAC Partner States can upload new data directly into the database.

EATH worked with the EAC to improve data quality and upload quarterly data immediately after the end of each quarter. Originally, the Trade Helpdesk was based on the Harmonized System (HS) 2007 Tariff Book. EATH helped the EAC replace it with the HS2012 Tariff Book, developed earlier with support from the project. As a result, the EAC is now compliant with the latest World Customs Organization (WCO) standards on commodity classification based on WCO HS2012 guide.

EATH also helped Partner States upload information on tariffs that are applicable to goods imported into the EAC from COMESA and SADC. For the first time, partner states have this information at the touch of a button, which, for instance, will allow policy-makers and businesses to quickly assess the impact of COMESA and SADC Free Trade Agreements (FTAs) on EAC. The Trade Helpdesk also allows Partner States to assess their trade performance and market opportunities through trade flow statistics.

**Key achievements**

Developed user requirements document and implementation work plan;

- Uploading of Trade data for 2013 by partner states
- Support partner states to upload data on the trade help desk
- Hosting of Tariff Book in searchable easy to use formats

**Outcomes/Impact**

The website has recorded over 350,000 hits with an average of over 800 hits a day. In terms of visitors there are over 60 visitors a day, about 1800 visitors per month as shown by the below figure:
Most traffic to the website originated from outside the region including from major trading partners China and Japan as well as from the United States of America (USA). The hands on demonstrations have resulted in private sector usage of the system to create reports and drive market research. Private sector firms have indicated that the tool is an invaluable resource to help with day-to-day decision making on imports and exports.

Representatives from the public sector were equally impressed by the website. An official from the Ministry of Trade and Industry in Uganda shared that he has faced challenges responding to ad hoc requests from the Minister during parliamentary sessions about Uganda’s exports and imports of specific products. With the EAC Trade Helpdesk, the Ministry can easily access the requested information and the Minister can respond to parliamentary questions promptly.

To address the low hits from partner states, the trade help desk team will carry out an extensive awareness creation exercise in partner states to demonstrate the use of the help desk and hands on experience to users. This will include a media campaign with animation of the help desk in action showing how to access simple information. This campaign will also include presentations to stakeholders at
national and regional level with a keen interest to customize the system to meet any needs that may not be addressed.

In addition as a strategic way to sustain the trade help desk awareness creation and use, the Trade Help Desk team will join the EAC trade team in Trade forums, export promotion activities, internal trade meetings and specific trade work shops that bring together business associations, traders, SMEs and other regional stakeholders. The Trade Help desk team will make hands on presentations and demonstrations on the trade help desk.

ii) The African Growth and Opportunity Act (AGOA)

AGOA initiative is an opportunity for development of Sub-Saharan countries in general and in EAC in particular. All the EAC Partner States are AGOA eligible. However, the EAC region is facing challenges limiting its full exploitation. To change the current situation, USAID supported the Directorate of Trade in coming up with new strategies with the view to get more profits of the AGOA Program in the EAC Partner States. In this regard, EAC developed an EAC position paper on enhancing EAC-U.S. trade and Investment relationship under the new post 2015 AGOA program; revised export processing zones exemptions and developed a draft EAC Special Economic Zones Policy.

On trade in services, the Meeting of the Sectoral Council on Trade, Finance, Industry and Investment (SCTIFI) held in June 2013, directed that Partner States introduce proposals for amendment of the relevant Articles on trade in services and free movement of workers in the EAC Common Market Protocol (CMP) in accordance with Article 53 of the CMP by February 2014. The directive was based on the fact that Partner States were of the view that it was difficult to implement Trade in Services provisions in the CMP and the schedules of commitments due to some technical errors, omissions and legal inconsistencies/discrepancies.

A Meeting of EAC Experts on trade in services was held on in April 2014 and developed proposals for amendment of the relevant Articles on trade in services and free movement of workers in the EAC CMP, which were subsequently adopted by the SCTIFI meeting held in May 2014.

Further, under the WTO Transparency Mechanism, the WTO Secretariat prepared a Factual Report on the Provisions on Trade in Services under the EAC CMP. EAC Meetings of Experts on Trade in Services were held in January and May 2014 to develop comments on the Report and responses to the questions raised by Colombia, Chile and Canada on the EAC Factual Presentation of the Provisions on Trade in Services under the EAC CMP. The Factual Report was adopted by 73rd WTO Transparency Session of the Committee on Regional Trade Agreement held on 23rd and 24th June 2014 in Geneva, Switzerland.
Key achievements

- Development of an EAC position paper on enhancing EAC-U.S. trade and Investment relationship under the new post 2015 AGOA Program

It has been recognised that AGOA has transformed the way the United States and Africa interact on trade and economic issues. However, AGOA is due to expire in 2015 and there are concerns whether the initiative would be re-authorized in time to avoid trade disruptions. The U.S. Government has committed to a “seamless” renewal of AGOA before it expires on September 30, 2015. The U.S. has also indicated that modifications would be needed to reflect the changes in the global economic situation since the program was created in 2000.

Currently AGOA is a unilateral market access preference granted by the U.S. to Sub Saharan Africa (SSA) countries. The U.S. under the new AGOA is contemplating integrating the principle of reciprocity as envisaged in the AGOA Act. The advantage of reciprocal market access arrangement is that both parties negotiate and agree the terms of trade as equal partners such as Rules of Origin, eligibility criteria among others.

Considering that AGOA is due to expire in 2015 and the U.S. commitment to renew AGOA, instead of developing an EAC AGOA Policy and Strategy, the Secretariat developed an EAC position paper on enhancing EAC-U.S. trade and Investment relationship under the new post 2015 AGOA program. It has been presented during the 2014 AGOA Forum not only as an EAC Position paper but as an African position as agreed by African Ministers during their consultative meeting. The EAC Position is hereto attached.

Outcomes/Impact

- EAC Exports under the AGOA (including the GSP) picked at $356,248,000 in 2013 with Kenya contributing 96%, Tanzania 3%, Uganda 0.4%, Rwanda 0.2% and Burundi 0%;
- The contribution of the AGOA to the total EAC exports increased from 57% in 2011 to 62% in 2013;
- EAC is taking a proactive common position in the design and delivery of the new trade initiative;
- EAC is advocating for a more robust and transformative commercial engagement between the EAC and the U.S. after the current AGOA has realized full term in 2015;

iii) Review of the implementation of Export Processing Zones Program and development of Special Economic Zones Policy in the EAC

The Economic Zone approach is one of the measures, which have proved to be effective on fast-tracking economic development in many countries. This approach has been very instrumental in promoting investments and developing export-led economies. The Export Processing Zones (EPZs) and Special Economic Zones (SEZs)
are among the EAC Export Promotion Schemes stated in the EAC Customs Union Protocol. The EPZs firms are producing exclusively for export. Many EPZs firms export their products to the U.S. under AGOA program. While reviewing the implementation of the EPZs schemes, the EAC revised the incentives offered to EPZs firms with the view to harmonize them. The implementation of Export Processing Zones Program and development of Special Economic Zones Policy in EAC is in line with the implementation of the AGOA Strategy. The EPZs firms was established targeting the U.S. market under AGOA.

In addition, pursuant to Articles 75 and 76 of the Treaty on the Establishment of the East African Community, the EAC is formulating a Special Economic Zones Policy to ensure that Partner States embrace the evolution of economic zones in a structured and harmonized manner. The EAC SEZ Policy will play a critical role particularly in developing a diversified and sustainable regional economy through development of intra-regional trade and integration of regional value chains. Furthermore, this Policy will help EAC raise investment levels in various economic zones schemes, build new backward and forward linkages across the region, upgrade technological capacity and promote a more competitive integration into the world economy that can ensure sustainable development.

**Achievements**

- The Secretariat drafted a list of Export Processing Zones Exemptions for purposes of harmonization.
- The exemptions offered to EPZs companies include among others: Corporate Tax: 10 Years holiday excluding commercial enterprises, 25% for 10 years after 10 years; Exemption from payment of withholding tax on dividends and other payments to non-residents during the period that the Export Processing Zones; exemptions on import duties; VAT. Etc.
- The Secretariat developed a draft EAC SEZs policy;
- The developed SEZs Policy was considered by the Sectoral Council on Trade, Industry, Finance and Investment (SCTIFI) at its meeting held on 30th May 2014;
- The draft SEZs Policy has been submitted to Partner States for comments before finalization;
- SCTIFI was requested to approve the Establishment of various schemes under the SEZ Programme as per Article 32 of the EAC Customs Union Protocol, which provides that “The Council may, from time to time, approve the establishment of other special economic arrangements for purposes of the development of the economies of the Partner States”;
- Consequently, the request for approval of the Establishment of industrial parks, free trade zones, tourist parks, ICT parks, science and technological parks schemes is on the agenda of the 29th Meeting of the Council of Ministers to be held on 25th – 29th August 2014 in Arusha, Tanzania.
Outcomes/Impact

- The exemptions create an attracting investment environment under EPZs framework in the region;
- SCTIFII approved the establishment of industrial parks, free trade zones, tourist parks, ICT parks, science and technological parks schemes;

iv) Monitoring the Implementation of Trade in Services Liberalization Commitments under the EAC Common Market Protocol (CMP)

The following activities were undertaken:

- Two Meetings of Experts on Trade in Services were held in January, and in May 2014. The Experts developed comments on the Factual Report on the Provisions on Trade in Services under the EAC CMP, developed by the WTO Secretariat under the WTO Transparency Mechanism. The Experts also developed responses to the questions raised by Colombia, Chile and Canada on the EAC Factual Report.
- One Brainstorming Workshop on Trade in Services was held on April 2014
- One Meeting of Experts on Trade in Services was held in April 2014 and developed proposals for amendment of the relevant Articles on trade in services and free movement of workers in the EAC CMP, which were subsequently adopted by the SCTIFII meeting held in May 2014.
- Meeting of the 73rd WTO Committee on Regional Trade Agreements held on June 2014 in Geneva, Switzerland. The Meeting adopted the EAC Factual Report on the Provisions on Trade in Services under the EAC CMP
- Agreement was reached on how to resolve the long outstanding issue of linking and delinking Annex II and Annex V of the EAC CMP
- Proposals for amendment of the relevant Articles on trade in services and free movement of workers in the EAC CMP were developed and adopted by the SCTIFII
- Comments on the WTO Factual Report of the Provisions on Trade in Services under the EAC CMP were developed
- Responses to the questions raised by WTO Members on the Factual Report were prepared and submitted to the WTO Secretariat

Outcomes/Impact

- Successful WTO 73rd Session of the CRTA which adopted the Factual Report

V) Establishment of an EAC competition authority

The activity was not undertaken during the reporting period, it will be implemented in the current FY 2014/15.
2.2 FOOD SECURITY AND FOOD SAFETY

USG supported five main interventions aimed towards improvement of Food security in the EAC Region.

i) Finalization of the EAC Food and Nutrition Security Policy

The overall goal of the EAC Food and Nutrition Security Policy (FNSP) is to ensure food security and adequate nutrition for the people in the East African region throughout their life cycle, for their health as well as their social and economic well-being. While some EAC countries have put in place instruments at the national level to mitigate food and nutrition insecurity, the efforts are fragmented. A regional multi-sectoral and coordinated approach to addressing the multi-faceted issues of food and nutrition security is lacking. The EAC FNSP is designed to streamline and catalyze efforts aimed at addressing food insecurity in the EAC. It seeks to provide a framework for action that strengthens linkages between nutrition, health, food security, agriculture, development, and other sectors to ensure a reduction in malnutrition. It will also aim at ensuring that EAC food and nutrition security standards conform to internationally recognized and recommended standards, guidelines and best practices.

In accordance with the directives of the 6th Sectoral Council on Agriculture and Food Security, the EAC Secretariat with support from the United States Agency for International Development (USAID) and East Africa Trade Hub (EATH), convened a meeting of experts to review the FNSP. The meeting was held on 13-14 February 2014, in Nairobi. The main objective of the meeting was to review the draft FNSP document and generate a revised draft for validation at the national level. The meeting also developed a Road Map to guide finalization of the FSNP. Subsequently, national stakeholder workshops were conducted in the 5 EAC Partner States to validate the draft FNSP. The validation workshops were held in April 2014. Comments and inputs from Partner States were considered and incorporated in the draft FNSP. The revised draft was further subjected to a regional stakeholders' validation workshop held on 3-6 June, 2014, in Kampala, Uganda. The regional validation workshop recommended that the final draft of the EAC FNSP be submitted to the 7th Sectoral Council on Agriculture and Food Security for consideration and adoption.

Lessons learnt

The process of developing EAC FNSP identified crucial gaps as follows:

- EAC Partner states have appreciated the need and urgency to strengthen linkages between nutrition, health, food security, agriculture and other sectors to ensure a reduction in malnutrition.
- The need for EAC Partner States to give priority to food and nutrition security issues in their national budgets and investment plans was strongly recommended during the FNSP national and regional validation workshops.
The recommendations of the workshops will be submitted to the Sectoral Council on Agriculture and Food Security and subsequently the Council of Ministers for action.

(ii) Development of EAC Regional CAADP Compact and Investment Plans in Strategic areas

During the reporting period, progress was made in the development of EAC CAADP Compact. The EAC CAADP Compact will serve as a shared framework for strategy planning and implementation and for partnership and development assistance in the agricultural sector. The Compact will facilitate coordination of regional and crosscutting programmes that are best handled regionally and compliment agricultural programmes at the national level in the five Partner States.

With support from USAID, the EAC Secretariat in collaboration with the NEPAD Planning and Coordination Agency (NPCA), organized a meeting to make final input into the draft “Regional CAADP Compact Development Stocktaking Report” and the proposed draft EAC CAADP Compact. The meeting was held from the 2nd to 6th September 2013, in Bujumbura, Burundi. The main objective of the meetings was to validate the draft “EAC CAADP Compact Stocktaking Report” and make input into the proposed draft "EAC CAADP Compact ". The Secretariat convened a meeting of the “EAC Multi-Stakeholder Technical Working Group on CAADP Compact" on 31st October and 1st November 2013 in Kampala. The meeting finalized the draft “Regional CAADP Compact Development Stocktaking Report" and the EAC CAADP Compact; and reviewed draft terms of reference for the “EAC Multi-Stakeholder Technical Working Group on CAADP Compact”.

The revised EAC CAADP Compact was presented to the 6th EAC Sectoral Council on Agriculture and Food Security in November 2013. The Sectoral Council directed the EAC Secretariat to convene national and regional validation workshops before submission of the revised final Compact for adoption. It is expected that the development of investment plans will commence by October/November 2014, immediately after conclusion of the regional validation workshop. The EAC CAADP Compact development process was delayed after the need for national validation workshops was identified as aforementioned. This will provide an opportunity for EAC Partner States to internalize and own the Compact before adoption. This requirement had not been anticipated in the budget and work plan. Fortunately, the EAC Secretariat has secured financial support from NEPAD/NPCA to support the convening of national validation workshops.

Lessons learnt

- The process of developing and validating EAC CAADP Compact Process has led to identification of issues that need to be addressed in order to ensure effective transformation of the agricultural transformation. The issues identified include the following
• Lack of harmonized methodologies for tracking and measuring budgetary allocations to the agricultural sector in line with the CAADP targets was noted. EAC has recommended to NPCA-CAADP on the need to develop consistent and harmonized methodologies for reporting budgetary allocations to the agricultural sector.
• The need for the EAC secretariat and NPCA –CAADP to organize training on risk management tools in the Agriculture sector for EAC Partner States was also identified as a fundamental issue in the management of the agricultural sector risks.

iii) Development of Animal Resources Database at EAC

A meeting of experts on animal data and animal resources information system (ARIS 2) was held in June 2014 in Kampala. The purpose of the meeting was to update the EAC Partner States experts on the improved version of the Animal Resources Database (ARIS 2) and initiate operationalization of the use of ARIS 2 in EAC. This entailed development of the modules to be used at regional level. In addition, there was updating on the respective Partner States data reporting system. The main achievement under this activity is that the ARIS 2 system is in place and functional and at least three experts in the EAC Partner States have trained on using the system. Further capacity building needs to make the system fully functional and operational will include technical backstopping and strengthening the capacity of ARIS 2 focal points in the EAC Partner States.

The ultimate goal of the project is that ARIS 2 will be used to generate data and information to inform decision-making and influence policy actions on strategic investments in the livestock sector. The key users of the system will include Ministries and departments responsible for livestock and veterinary services and Bureaux of Statistics in the EAC Partner States. Other stakeholders in the region will get information through the aforementioned institutions.

Outcomes/Impact

The ARIS 2 has contributed towards strengthening the capacity of EAC countries to make informed policy decisions including sector planning and investment priorities on animal resources. The database addresses inadequacies in animal Resources (Livestock and Fisheries) statistical data on which to base marketing, investment, or policy decisions. It is also a useful tool with which to assess the efficacy of current commitments or policies in the EAC region.

iv) Harmonization of a regulatory framework and procedures for the fertilizer marketing

This activity was supported by USG under harmonization of regional policies, regulations, standards and procedures for farm inputs. Fertilizer procurement, distribution and administration have been largely liberalized in the EAC region except for some intervention of the governments in the area of pricing and subsidy
policies. These policies have been inconsistent which in turn has affected the market development. Given the challenge of boosting agricultural productivity in the region, there is a need for development of harmonized regional framework and procedures, which is essential in promoting cross border trade. Harmonization and enforcement of appropriate regulations on fertilizer will protect farmers, enable expansion of market opportunities for traders, facilitate inter- and intra-regional trade, and reduce transaction costs. The EAC harmonized Regulatory Framework and Procedures for fertilizer market is expected contribute to increase in agricultural productivity and regional food security. The EAC regulatory framework and procedures for the fertilizer market was finalized in December 2013. Key areas for harmonization were identified and an Action Plan to guide the harmonization process developed. The scope of EAC regulatory framework and procedures for fertilizer market include:

- Harmonization of policies on fertilizer taxation; Feasibility of putting in place facilities for bulk procurement of fertilizers at the regional level; Harmonization of policies on registration, importation and distribution of fertilizers; Harmonization of fertilizer standards; and Mechanisms to support resource poor farmers.

Outcomes/impacts

The EAC regulatory framework and procedures for the fertilizer market is already providing direction and guidance in implementation of specific interventions that will contribute towards rationalization, harmonization and efficient functioning of the fertilizer market in the EAC. For instance, the EAC Secretariat convened a meeting of experts in May 2014 in Arusha to develop Terms of Reference for the development of the Regional Fertilizer Policy. This was based on the aforementioned framework and Action Plan.

v) Aflatoxin project

The Regional Project on Aflatoxins Control and Improved Nutrition is part of the overall implementation of the EAC Food Security Action Plan (2011-2015) as approved by the 9th Extra Ordinary Summit of the Heads of State held in Dar es Salaam, Tanzania in April 2011. This project is also in tandem with the EAC Sanitary and Phytosanitary (SPS) protocol and measures adopted by the EAC Partner States in 2013. The principal objective of the SPS Protocol is to adopt and enforce measures that address safety considerations and trade related challenges. The EAC SPS Protocol is undergoing ratification in the Partner States. EAC SPS legislation, regulations and measures will be developed to actualize implementation of the Protocol. The EAC Aflatoxin Project is one of our flagship projects designed to address the multi-faceted impacts and effects of aflatoxin.

The objectives of the Aflatoxin project are:

- Development of EAC Regional Policy on Prevention and Control of Aflatoxins;
• Establishment of a foundation for a Regional Bio-control Program in the EAC;
• Capacity building of the region on Aflatoxins Control and Prevention in the Region; and
• Development of Post-harvest handling measures for control of aflatoxin along the food and feed value.

The expected results of the project include:

• EAC Regional Policy and Implementation Strategy on Control of Aflatoxins developed;
• Foundation for Bio-control interventions in the EAC region laid, supported and implemented capacities on Aflatoxins control in the region enhanced; and
• Awareness creation on Aflatoxins control in the region adequately conducted.

The International Institute of Tropical Agriculture (IITA) is supporting development of the Technical Papers to inform the EAC Policy on Aflatoxin. Generally the TPs focus on establishment of a scientific knowledge base; situational analysis of existing regional information; current status and interventions in context of EAC and discussion on appropriateness of existing interventions and identification of gaps. Technical Papers have been grouped under the following clusters:

2.2 Figure: Clusters for Aflatoxin Technical Papers (TPs)

| Cluster 1: | Standards Development- Food & Feed |
| Cluster 2: | Impacts of Aflatoxin on Human & Animal Health and Mycotoxins & the 1000 days |
| Cluster 3: | Environment- Alternative uses and disposal systems |
| Cluster 4: | Agriculture- Biocontrol and post harvest handling |
| Cluster 5: | Economic impacts on trade |
| Cluster 6: | Communication Strategy |
| Cluster 7: | Vaccinations/Immunization, Adoption of Hepatitis A&B Vaccination |

The EAC Secretariat is responsible for validation of the Technical Papers and the Policy development process.

Key achievements:
i) An inception workshop for the project was held in March, 2014 in the Republic of Burundi;

ii) The EAC Regional Experts Working Group on Aflatoxins (REWGA) was constituted in accordance with the Directive (EAC/CM27/Directive 21) of the Council of Ministers. The Regional Experts Working Group on Aflatoxins (REWGA) is mandated to provide technical and advisory guidance to EAC Sectoral Council on Agriculture and Food Security and key stakeholders in the region on prevention and control of aflatoxin in the EAC region.

iii) A planning workshop involving EAC Secretariat, IITA and EAC Partner States was held in Zanzibar from 2-3 June to lay ground for the development of a 5-year communication strategy. The communication strategy will be a robust and proactive tool to support the objectives of the EACs aflatoxin abatement program in a harmonized and consistent manner.

iv) Following Technical Papers under Clusters 1 and 2 have been verified by the EAC Partner States experts: Impact of aflatoxin on Animal Health; Impact of aflatoxin on Human Health; Aflatoxin and 1000 days of human life; Aflatoxin standards in Food; Aflatoxins Standards for Feeds.

It is expected that the remaining papers technical papers under clusters 3-7 will be finalized and validated as per the below timetable. Subsequently, the Policy development process will commence:

**PLANNED MEETINGS OF EXPERTS TO VALIDATE EAC TECHNICAL PAPERS ON AFLATOXIN**

<table>
<thead>
<tr>
<th>Description of the Meeting</th>
<th>Dates</th>
<th>Venue</th>
<th>Lead Sector at EAC SEC</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Module 1: Good Agricultural Practices (GAP)</strong></td>
<td>13-18 October 2014</td>
<td>KAMPALA</td>
<td>Agriculture Dept.</td>
</tr>
<tr>
<td>Post Harvest Handling (Case Studies: GAP for Maize &amp; Groundnut)</td>
<td>16-18 Oct. 2014</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Module 2. Trade &amp; the Environment</strong></td>
<td>3-8 November 2014</td>
<td>NAIROBI</td>
<td>Trade Dept.</td>
</tr>
<tr>
<td>Economic Impacts of Aflatoxin on Trade</td>
<td>4-6 Nov. 2014</td>
<td></td>
<td>• Agriculture Dept.</td>
</tr>
<tr>
<td>Alternative Uses &amp; Disposal Systems</td>
<td>7-9 Nov. 2014</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Some challenges have been encountered in the course of implementing the project. Due to the multi-sectoral nature of the project, adequate consultation has to be done at every stage of implementation. This occasionally delays the process. Differences in operational modalities between EAC and IITA, has also been experienced as an implementation challenge.

vi) Finalization of the EAC Regional Post-Harvest Handling and Storage Measures for Aflatoxin Abatement

The EAC Regional Post-Harvest Handling and Storage Measures for Aflatoxin Abatement has been developed through a series of technical meetings involving experts from the EAC Partner States. The scope of the document encompasses post harvest handling and storage measures for aflatoxin abatement in cereals, root crops, tree and oil crops and beverages. The document also contains guidelines for disposal of agricultural products that are highly contaminated with aflatoxin. The main objectives of EAC draft regional post-harvest handling and storage measures for aflatoxin abatement are to support Partner States implement integrated systems of post-harvest handling, storage and processing methods to minimize aflatoxin contamination and improve knowledge of local scientists, farmers, storage operators, processors, distributors and consumers about aflatoxin prevention and control measures.

The document will be presented at the 7th Sectoral Council on Agriculture and Food Security for Adoption.

Outcomes/Impact

- The launching of the EAC Aflatoxin Project received high publicity and coverage by both the print and electronic media houses in the EAC. This heightened the level of awareness about the project in particular, and aflatoxin in general.
- The African Union Partnership for Aflatoxin Control in Africa (PACA) has recognized EAC as one of the RECs with a strong project on aflatoxin that will complement and inform PACA-led activities in many ways.
- The project has been successfully restructured in accordance with the Decisions no 20 –Directive no 21 of the 27th Council of Ministers held on 31st August 2013, which called for a holistic and multi-Sectoral approach that encompasses Agriculture, Health, Trade and Industry sectors in the implementation of the EAC Aflatoxin Project at national and regional levels.
- EAC Policy Making Organs have taken cognizance of the magnitude and incidence of Aflatoxin and the need for strategic mitigation intervention.
2.3 CLEAN ENERGY

The intervention was aimed at implementing the regional strategy on scaling up access to modern energy services at national level. The activities for implementing the regional strategy are implemented at the national level. The consultancy for the activity at regional level delayed due to late approvals by the Sectoral council on energy that was postponed from October 2013 to March 2014.

Key achievements:

- **Technical working group on Renewable Energy and Energy Efficiency** the coordinating arm of the Energy Committee of the Sectoral Council on Energy was organized in Bujumbura Burundi.

The working group reported on the progress of implementing the regional strategy on scaling up access to modern energy services at national level. Best practice knowledge sharing was achieved by Partner States learning from each other. The working group also considered and reviewed the draft ToR for designing a 5-year implementation plan for the Regional Strategy and the draft ToR to review the existing policies, regulatory and Institutional framework for deployment of Renewable Energy & Energy Efficiency projects.

The working group decided to combine the two assignments and an amended draft ToR for the assignment was produced. The amended draft ToR was presented to the 9th Sectoral on Energy that was held in Nairobi Kenya on 20th March 2014. The sectoral Council approved the ToR and the EAC Secretariat prepared the advert and the RFP for the consultancy services. SWECO International of Sweden was recruited to undertake the job effective 18th June 2014. The consultant submitted the inception report and the activity is ongoing.

Outcomes/Impact

- The capacity to handle renewable energy projects has improved. Using part of the USAID funding the EAC Secretariat participated in capacity building programme to train around 80 project proposers under the energy and environment partnership (EEP) funded by Finland, Austria and DFID. The quality of project proposals has improved most especially for new entrants to the programme.
USG supports the on-going implementation of the EAC’s Climate Change Strategy and Master Plan, with significant coordination and collaboration with the Planning for Resilience in East Africa through Policy, Adaptation, Research & Economic Development (PREPARED) project. An EAC four year PREPARED work plan has been designed to comply with activities to be organized around three components as follows:

i) Climate change adaptation technical, policy leadership, and action readiness of regional institutions improved;

ii) Resilient and sustainable management of biologically significant trans-boundary freshwater ecosystems in the EAC region strengthened; and

iii) Resilient and sustainable drinking water supply, sanitation and wastewater treatment services in Lake Victoria Basin enhanced.

Both EAC Secretariat and Lake Victoria Basin Commission (LVBC) implement the PREPARED Program in conjunction with the IGAD Climate Predictions and Applications Centre (ICPAC), USGS Early Warning System- FEWS NET, Regional Centre for Mapping of Resources for Development (RCMRD).

2.4.1 PREPARED Implementation status at the EAC Secretariat

Key Achievements:

Provision of overall strategic policy guidance and coordinating the implementation of climate change technical activities

(i) Strategic policy guidance and coordination of technical activities under the PREPARED project was provided. Critical policy decisions to guide the implementation of the PREPARED project were taken by the Sectoral Council on Environment and Natural Resources during its 3rd meeting held from 27th-31st January 2014 in Bujumbura. These include approval of the process to formulate a Climate Change Bill to provide a legal framework for the implementation of the EAC Climate Change Policy; approval of the Terms of Reference and Statements of Work for the proposed studies on Supporting EAC’s Accreditation Process as a Regional Implementing Entity under the UNFCCC Adaptation Financial Mechanism; Climate Change Vulnerability and Impacts Assessment in EAC Region; Climate Information User Profiles and Service Providers Assessments; Ecosystems Profile Assessment in Lake Victoria Basin; and Assessment of Water, Sanitation and Hygiene (WASH) Services in the Lake Victoria Basin. The Regional Project Steering Committee (RPSC) for the PREPARED Project was also established and its inaugural meeting held in May 2013.

(ii) Work plans and modalities for the technical implementation of key decisions of the 3rd Meeting of the Sectoral Council were agreed upon during the
extended Meeting of the Technical Working Group on Climate Change held from 2nd-4th April 2014 in Entebbe.

(iii) To enhance PREPARED project and programme coordination, management and communication amongst the partners, the inaugural meeting of the Regional Project Steering Committee (RPSC) for the PREPARED Project was held in May 2013.

(iv) EAC participated at the inaugural Project Implementing Committee (PIC) Meeting held on 23rd April 2014 in Nairobi and thereafter the 1st Programme Coordinating Committee Meeting on 24th-25th April 2014. The outcome of the PIC included: the finalization and signing of the Memorandum of Understanding between EAC and Tetra Tech ARD; decisions to prepare a justification paper for supporting EAC’s accreditation process as a Regional Implementing Entity (RIE) and preparation of Terms of Reference for key climate change specialists were taken. The RIE justification paper will provide additional information to inform USAID’s decision to support the process that is considered as part of operationalizing the EAC Climate Change Fund, enhancing joint resource mobilization and also as a financial sustainability mechanism for climate change activities.

(iv) A Joint Meeting of Experts for Environment and Natural Resources and Peace and Security to review the draft EAC Disaster Risk Reduction and Management Bill, 2013 and provide policy guidance to the Council of Ministers was held from 19th-20th May 2014 in Bujumbura.

(v) A Resource Mobilization Action Plan for Lake Tanganyika Water, Sanitation and Environmental Management (LT-WATSAN) was prepared and signed during a High Level Ministerial Meeting held in conjunction with UN-Habitat from 16th-19th July 2013 in Bujumbura, Burundi. The LT-WATSAN Project was informed by the ongoing Lake Victoria Water and Sanitation (LT-WATSAN) Project initiated by UN-Habitat and being implemented by Lake Victoria Basin Commission (LVBC).

(vi) In her capacity as an Observer Organization that was conferred by the 18th Conference of Parties (COP18) in December 2012, EAC participated at the 19th Conference of Parties (COP19) under the UN Framework Convention on Climate Change (UNFCCC) held from 11th-22nd November 2013 in Warsaw, Poland.

Supporting capacity building initiatives

(vii) The status of implementation of the East African Legislative Assembly (EALA) Report and Resolution on Climate Change was reviewed during the 2nd Regional Parliamentarian’s Workshop on Climate Change held from 16th-18th December 2013 in Nairobi. The EALA Resolution on Climate
Change proposes the enactment of a Regional Climate Change Bill and operationalization of the EAC Climate Change Fund amongst others. The Regional Parliamentarians’s also visited Olkaria Power Station operated by the Kenya Electricity Generating Company (KenGen) where the Members of Parliament learnt on geothermal energy production as a renewable source of energy.

(viii) Capacity needs assessment for the EAC Climate Change Coordination Unit (CCCU) were identified during the comprehensive Organizational Capacity Assessment (OCA) Workshop held from 19th-20th December 2013 in Nairobi. A draft Capacity Building Plan for the EAC-CCCU was developed following the OCA and will inform capacity building and training activities in the EAC-PREPARED Work Plan that is currently under finalization.

Supporting Climate Change Adaptation, trans-boundary biodiversity conservation and ecosystems management activities in EAC

Status Report on Regional Biodiversity and Ecosystem Services assessed and regional Biologically Significant Areas (BSA) identified for improved conservation and management;

i. The EAC draft Strategy to Combat Poaching and Illegal Trafficking and Trade in Wildlife Products was reviewed by Environment and Natural Resources Management and Wildlife Management Experts from 5th-7th May 2014 in Mwanza. The overall goal of the draft strategy is to enhance the regional cooperation to secure wildlife through the following six strategic objectives: to strengthen policy and legislation framework; develop and enhance the human resource capacity; strengthen regional/international collaboration; create public awareness; conduct research on wildlife crime; and resource mobilization. The joint meeting was held in fulfillment of the directive of the 3rd Sectoral Council on Environment and Natural Resources that directed the EAC Secretariat to convene a multi sectoral meeting of experts on Tourism & Wildlife and Environment & Natural Resources to synergize biodiversity conservation efforts under the two sectors. The draft Strategy is attached.

ii. A Road Map and Terms of Reference (ToRs) for Regional Biodiversity Conservation Strategy and Action Plan (RBCSAP) was developed during the Meeting of Regional Experts on Biodiversity Conservation and Management was held in Arusha, Tanzania from 4th-6th September 2013;

iii. Terms of Reference (ToRs) for development of Regional Forestry Policy and Strategy were also developed.
iv. Modalities to implementing the Climate Change Adaptation component under PREPARED Program was devised during the meeting of Climate Change Technical Working Group (CCTWG) held in Kigali on 7th-9th June, 2014 in line with the directives of 3rd Sectoral Council on Environment and Natural Resources (SCENR). The CCTWG Meeting revised the work plan for VIA, developed the road map with clear activities and timelines for VIA study, developed Term of Reference for VIA Sub groups and recommended the composition of VIA Sub groups.

v. Ecological requirements for development of the EAC Compliance guidelines for classification of eco-lodges and other tourist facilities were proposed during the regional ecological experts meeting held in Kampala on 16th-20th June, 2014. Regional ecologists also reviewed the assessment sheets and classification tools to ensure they are harmonized with their respective criteria.

2.4.2 PREPARED Implementation status at LVBC

Key Achievements:

i) LVBC Climate Change desk established to support implementation of LVBC climate change strategy;

ii) A training manual on anti-poaching was developed in close collaboration with Kenya wildlife Service Narok and Serengeti National Park offices. Training is conducted for students and two teachers in all 10 selected schools. The training manual has gotten six modules, and has been improved after the first training on anti-poaching. A copy of the manual is attached.

LVBC facilitated the governments of Kenya and Tanzania through Narok County in Kenya; and Serengeti District in Tanzania to select, register and train ten secondary schools students and teachers on anti-poaching. The training aims at advocating for approval of Training Manual by LVBC Sectoral Council; and also for advocating for secondary schools curriculum. Teachers are trained to use the manual to train new students in future.

iii) Regional Biodiversity Task Force (RBTF) established

- The mandate of the RBTF is to provide technical guidance and oversight on the expected deliverables from the Biodiversity component of the PREPARED Program. The RBTF is composed of the National Biodiversity expert; National Environment and Natural Resources expert; LVBC Focal point Officers, and Ministry of East African Community (MEAC)
• Criteria for selection of Biological Significant Areas (BSAs) were developed and the methodology for conducting Ecosystem Profile Assessment (EPA) was agreed upon during the first meeting of the Biodiversity Task Force held in October 2013;
• EPA report was reviewed and ten proposed BSAs were considered during the second meeting of RBTF held from 28th to 29th April in Arusha;
• The draft EPA report was presented to BTF, RPSC and 13th LVB SECOM for consideration; 9 BSAs were then approved
• The following BSAs have been approved: Lake Nabugabo; Maasai Mara and Serengeti National Park ecosystem; Mara Swamp & Bay; Mwanza Gulf; Lake Rweru-Mugesera complex and Northern Aquatic protected landscape (Rwanda and Burundi); Nyungwe –Kibira Forest/National Parks; Yala/Nzoia wetlands; Sango Bay/Minziro; and Mt Elgon Ecosystem.

iv) (MoU) between Republic of Kenya and United Republic Tanzania to manage Mara River Basin was drafted; The MoU will be presented to the key stakeholders’ workshop for inputs by August 2014;

v) Advertisement on the procurement of the consultant for mapping of key natural resources and develop action plan to manage these natural resources has been approved; Advert will be in the LVBC Website; and in East African News Paper by 28th July


• The celebrations were attended by more than 3,000 people in including decision makers, government officials, communities and students from Kenya and Tanzania; The celebrations involved more than 90 private exhibitors; 6 Tourist companies, 14 Hotellers and more than 10 Media companies); and 7 Public sectors. Report of the celebration is attached.
• The celebrations took four days from 12th to 15th September 2013.
• The celebrations included Public awareness, Exhibitions, conservation and cleaning activities; competitions, Conference, awarding ceremony and speeches on Mara river basin resources, its importance and the need to conserve the ecosystem;
• It is estimated that through this publicity more than 10,000 people were reached in Tarime, Serengeti, Rorya and Butiama Districts and many more within and outside the Mara Basin

vii) A Forum was established to manage and implement transbounadry activities in Nyangores and Amala water catchments in Kenya; and Tobora and Marasibora water catchments in Tanzania. The activities conducted were
catchment restoration, water supply and capacity building on natural resources management;

viii) **Conducted training on Trans-boundary Integrated Water Resources management (TIWRM)** from 29th to 30th July 2013 in Narok. 13 (3 female and 10 Male) participants attended. Training was conducted as a result of the organizational capacity needs assessment for Mara River Basin Transboundary Water Resources Users Forum (MRB TWRUF), which was done in 2009/10. The organizational capacity assessment recommended training on Integrated Water Resources Management (IWRM) to enable MRBTWRUF members to implement their roles properly;

ix) Discussions are on going between Tanzania and Kenya to establish MoU for MRB using Lakes Chala and Jipe; and Umba River Ecosystem model. Draft MoU was developed by LVBC in June 2013 and presented to Partner States Technical committee and adjusted in July 2014. Adjusted Draft MoU is attached.

x) **Wash Task Forces established and the following are the WASH sites approved by the 13th LVB SECOM:**

- **Republic of Burundi:** (Karuzi; Mwaro; Muramvya);
- **Republic of Kenya:** (Nandi Hills; Kilgoris-Lolgorian; Bomet);
- **Republic of Rwanda:** (Kigali; Musanze; Nyagatare);
- **United Republic of Tanzania** (Bunda- Mara Region; Chato- Geita Region; Itilima- Simiyu Region);
- **Republic of Uganda:** (JinJa; Entebe; Masaka).
2.5 POPULATION HEALTH AND ENVIRONMENT (PHE)

PHE is an approach to sustainable development that integrates health and environmental conservation initiatives in order to seek synergistic successes for greater conservation and human welfare outcomes than single-sector approaches. The program aims at strengthening PHE regional coordination, knowledge management and advocacy. The ultimate goal is to contribute to the sustainable development of the Lake Victoria Basin through integration of Population, Health and Environmental conservation initiatives.

Specifically, the program seeks to:

i) Establish and operationalize national PHE frameworks
ii) Mainstream PHE into regional and national level policies and institutional frameworks
iii) Promote generation of PHE information and Knowledge Management in the region
iv) Strengthen PHE coordination at local, national and regional levels
v) Reduce environmental degradation and increase access to and utilization of quality population and health services
vi) Increase the participation of women, men and youth in sustainable livelihood improvement initiatives

LVBC PHE Coordination Structure
Key achievements:

i) Participation in international conferences

LVBC supported by USAID EA facilitated the participation of four key staff members and representatives of three Partner States (Burundi, Kenya and Uganda) at the international PHE conference and the International Conference on Family Planning held on 12th to 15th November 2013. During the conference, LVBC established collaborations with several organizations including: the Population Action International (PAI), the Population Reference Bureau (PRB), the Woodrow Wilson Centre and the Danish Family Planning Association. LVBC is now a member of the Population and Sustainable Development Alliance (PSDA). By virtue of being a member of PSDA and based on the evidence that the organization is actively involved in PHE advocacy, LVBC attended the 8th session of the UN Open Working Group held in New York from 3rd to 7th February 2017 at the invitation of the Population Action International. LVBC made briefing on PHE to over 80 scholars at the Woodrow Wilson Centre in Washington DC. LVBC briefed Congressional staff on PHE, its comparative advantage and the support received from USAID EA to propagate PHE programming in Lake Victoria Basin. For the detailed please follow this link: http://www.newsecuritybeat.org/2014/03/victoria-chilwa-integrated-development-african-lake-basins/#.Uxh3l7RGdQ2

ii) Development of the PHE Program guiding documents

LVBC drafted a regional PHE Monitoring and Evaluation Framework and monitoring Tools as well as a PHE Action Plan for the Lake Victoria Basin; The documents will also guide the operations of the national PHE networks already established by LVBC in the five EAC Partner States.

iii) Establishing and strengthening national PHE networks

LVBC Secretariat facilitated establishment of PHE networks in Rwanda, Tanzania and Burundi in February, March and April 2014 respectively and provided technical guidance on the operations of the Kenya and Uganda networks. In addition, LVBC strengthened networks and collaborations for the national PHE networks. The main role of national HPE networks is to coordinate PHE actors/implementers in the countries

iv) Strengthening PHE Advocacy, Policy and Technical guidance

1. PHE induction and sensitization workshops

- LVBC convened a two-day PHE induction meeting for the integrated TWG from the ministries responsible for health, environment and water, state agencies responsible for climate change and population issues as well as
non-state agencies implementing projects/programs related to population, reproductive health, and environmental conservation.

The meeting agreed on the following:

a) Roadmap for establishing/strengthening national PHE networks
b) Modalities for integrating PHE into national and regional level policies and institutional frameworks
c) Mechanisms for designing and implementing PHE projects in the region

• LVBC convened a PHE induction meeting for Permanent Secretaries and Senior Officials on 26th to 27th September 2013.

The meeting agreed on the proposal to establish a Regional Policy Steering Committee for PHE

• LVBC convened a two-day PHE induction and sensitization meeting for members of the EAC National Parliaments and the East African Legislative Assembly (EALA)

Consequently, some Members of Parliament have initiated PHE activities in their respective constituencies. In addition, they are lobbying for PHE budget appropriations in the respective parliaments

2. An integrated Regional Policy Steering Committee (RPSC) for HPE has been established

RPSC established in January 2014 and hold its first meeting on 24th to 25th April 2014 in Nairobi, Kenya

V) PHE Research and Knowledge Management

• LVBC commissioned a PHE study entitled: “Inter-linkages between Population, Health, Environment and Sustainable Development in Lake Victoria Basin”. The study is being undertaken by a consultant in selected sub-catchments namely: Mt. Elgon (Kenya and Uganda), Simiyu (Tanzania), Nyabarongo (Rwanda) and Kagera (Burundi). The data generated will be used to inform PHE Policy and programming in the region and also form the evidence base for PHE Advocacy and resource mobilization.

vi) PHE Integration into environmental conservation programs of the LVB

Integration of Population and Health services into the LVBC environmental conservation programs is one of the key program activities. This is in realization of the catalytic effect and inter-linkages between health and the environmental challenges in the basin. Integration will be undertaken in the MERECP, LVEMP II and
LVWATSAN II programs of the LVBC in a phased manner beginning with the MERECP program as a pilot.

So far, LVBC has achieved the following:

i) Developed a framework for integrating population and health services into the environmental conservation programs of the LVBC

ii) Developed a package of services to be integrated into the environmental conservation programs as appropriate

iii) Held a PHE stakeholders meeting in the Mt. Elgon ecosystem. Participants included the Ministries responsible for health, environment and planning as well as wildlife and forestry agencies and non-governmental organizations from Kenya and Uganda

iv) Trained Community Health Workers, Village Health and Conservation Teams and Community Forest Association in Mt. Elgon Kenya and Uganda on PHE integration activities

v) The trained Community Based workers under the supervision of the Ministries of Health and Environment, Wildlife Authorities and Forest Service Authorities are providing integrated PHE services to the communities.

Vii) PHE Program was launched

The launch of PHE Program was organised by the EAC Secretariat on 17-18 March 2014, in Narok County Kenya. Different stakeholders (Ministries, EAC Organs and Institutions, Members of National Parliaments and EALA, Local authorities, Private sector...) attended the launch.

Subsequently members of national Parliaments and EALA drafted a communiqué whereby they committed themselves to mainstream PHE into existing and new bills and to advocate for PHE.

PHE initiatives are already taking place in the Lake Victoria Basin (LVB), EAC Secretariat is now in the process of drafting PHE strategy to support the implementation of PHE initiatives in the whole EAC Region.
3.0 FINANCIAL REPORT

3.1 EAC SECRETARIAT

During the Financial Year (FY) 2012/13, the overall budget utilization was low with only one component being above 50%. The entire expenditure for the year was $819,355 against a budget of $2,201,386 resulting in a low 37% utilization. The under spending was as a result of limited technical and administrative capacity.

Table 3.1: USAID supported programs budgetary performance in FY 2012/13

<table>
<thead>
<tr>
<th>Budget Line Items</th>
<th>Approved Budget - $</th>
<th>Actual Expenditure - $</th>
<th>Variance - $</th>
<th>Variance in %</th>
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</thead>
<tbody>
<tr>
<td>Establishment Of The East African Common Market</td>
<td>518,362</td>
<td>325,748</td>
<td>192,613</td>
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<tr>
<td>(Trade, Investment And Infrastructure)</td>
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<tr>
<td>Affilation (Health Related Affilation Mitigation Activities)</td>
<td>606,398</td>
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<td>Agriculture Enabling Environment</td>
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<td>235,001</td>
<td>213,084</td>
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<tr>
<td>Total</td>
<td>2,201,386</td>
<td>819,355</td>
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</tbody>
</table>

After the recruitment of USAID supported staff at the EAC Secretariat in 2013, there is a notable significant improvement in projects implementation; and accordingly, the budget utilization rate has increased from 37% in FY 2012/13 to 70.5% in FY 2013/14. Annual expenditures tripled from $819,355 in FY 2012/13 to $2,930,977 in FY 2013/14.

Table 3.2: EAC SEC Summary Of Expenditure FY 2013/2014

<table>
<thead>
<tr>
<th>Budget Line Items</th>
<th>Expenditures FY 2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>PIA 4.3.2 &amp; PIA 4.3.3 Completion of the Implementation of the Customs Union Protocol &amp; Establishment of the East African Common Market</td>
<td>$1,125,250</td>
</tr>
<tr>
<td>PIA 4.5.5 Provision of Adequate and Reliable Supporting Infrastructure</td>
<td>$480,091</td>
</tr>
<tr>
<td>4.5.1 Agriculture Enabling Environment</td>
<td>$455,562</td>
</tr>
<tr>
<td>4.8.2 Clean Productive Environment</td>
<td>$772,070</td>
</tr>
<tr>
<td>Maternal and child Health/family Planning</td>
<td>$98,004</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$2,930,977</td>
</tr>
</tbody>
</table>
Table 3.3: USAID supported programs cumulative expenditures to June 2014

<table>
<thead>
<tr>
<th>Budget Line Items</th>
<th>Approved Budget</th>
<th>Cumulative Expenditures to June 2014</th>
<th>Budget Balance</th>
<th>Expenditure as a % of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>PIA 4.3.2 &amp; PIA 4.3.3 Completion of the Implementation of the Customs Union Protocol &amp; Establishment of the East African Common Market</td>
<td>3,500,000.00</td>
<td>2,416,458</td>
<td>1,083,542</td>
<td>69%</td>
</tr>
<tr>
<td>PIA 4.5.5 Provision of Adequate and Reliable Supporting Infrastructure</td>
<td>650,000.00</td>
<td>565,895</td>
<td>84,105</td>
<td>87%</td>
</tr>
<tr>
<td>4.5.1 Agriculture Enabling Environment</td>
<td>2,200,000.00</td>
<td>1,412,198</td>
<td>787,802</td>
<td>64%</td>
</tr>
<tr>
<td>4.8.2 Clean Productive Environment</td>
<td>1,350,000.00</td>
<td>1,052,774</td>
<td>297,226</td>
<td>78%</td>
</tr>
<tr>
<td>Maternal and child Health/family Planning</td>
<td>170,000.00</td>
<td>98,004</td>
<td>71,996</td>
<td>58%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>7,870,000.00</td>
<td>5,545,329</td>
<td>2,324,671</td>
<td>70.5%</td>
</tr>
</tbody>
</table>

3.2 LAKE VICTORIA BASIN COMMISSION (LVBC)

Table 3.4 LVBC SUMMARY OF EXPENDITURE FOR THE FY 2013/2014

<table>
<thead>
<tr>
<th>S/N</th>
<th>MONTH</th>
<th>AMOUNT (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>PREPARED PROGRAM</td>
</tr>
<tr>
<td>1</td>
<td>Jul-13</td>
<td>58,682</td>
</tr>
<tr>
<td>2</td>
<td>Aug-13</td>
<td>50,832</td>
</tr>
<tr>
<td>3</td>
<td>Sep-13</td>
<td>66,191</td>
</tr>
<tr>
<td>4</td>
<td>Oct-13</td>
<td>15,689</td>
</tr>
<tr>
<td>5</td>
<td>Nov-13</td>
<td>37,285</td>
</tr>
<tr>
<td>6</td>
<td>Dec-13</td>
<td>10,972.13</td>
</tr>
<tr>
<td>7</td>
<td>Jan-14</td>
<td>7,028</td>
</tr>
<tr>
<td>8</td>
<td>Feb-14</td>
<td>29,334</td>
</tr>
<tr>
<td>9</td>
<td>Mar-14</td>
<td>7,666</td>
</tr>
<tr>
<td>10</td>
<td>Apr-14</td>
<td>8,545</td>
</tr>
<tr>
<td>11</td>
<td>May-14</td>
<td>4,368</td>
</tr>
<tr>
<td>12</td>
<td>Jun-14</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL</td>
<td>296,594</td>
<td></td>
</tr>
</tbody>
</table>
Table 3.5: LVBC cumulative expenditures to June 2014

<table>
<thead>
<tr>
<th>BUDGET LINE ITEM</th>
<th>APPROVED BUDGET</th>
<th>CUMMULATIVE EXPENDITURE TO JUNE 2014</th>
<th>BUDGET BALANCE</th>
<th>EXPENDITURE AS A % OF BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IL NO 3</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Obj. 1: Promote transboundary management framework for MRB</td>
<td>100,000</td>
<td>84,422</td>
<td>15,578</td>
<td>84%</td>
</tr>
<tr>
<td>Obj. 2: Improve protection and mgmt. of Mau forest resources and Mara riverine forests</td>
<td>75,000</td>
<td>51,009</td>
<td>23,991</td>
<td>68%</td>
</tr>
<tr>
<td>Obj. 3: Promote Improved mgmt. of protected areas</td>
<td>145,000</td>
<td>87,218</td>
<td>57,782</td>
<td>60%</td>
</tr>
<tr>
<td>Obj. 4: Improve water resources management in the basin</td>
<td>170,000</td>
<td>65,880</td>
<td>104,120</td>
<td>39%</td>
</tr>
<tr>
<td>Obj. 5: Institutional Capacity Building</td>
<td>210,000</td>
<td>375,083</td>
<td>(165,084)</td>
<td>179%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>700,000</td>
<td>663,613</td>
<td>36,387</td>
<td></td>
</tr>
<tr>
<td><strong>IL NO 4.</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Obj. 1: Facilitate harmonization and operationalization of policy options, regulations and institutional frame work in MRB</td>
<td>200,517</td>
<td>200,471</td>
<td>46</td>
<td>100%</td>
</tr>
<tr>
<td>Obj. 2: Facilitate the development and implementation of integrated natural resources management strategies and plans for MRB</td>
<td>240,760</td>
<td>240,439</td>
<td>321</td>
<td>100%</td>
</tr>
<tr>
<td>Obj. 3: Promote equity and benefit sharing in the MRB for improved livelihood and ecosystem health</td>
<td>40,000</td>
<td>40,200</td>
<td>(200)</td>
<td>101%</td>
</tr>
<tr>
<td>Obj. 4: To promote research, information sharing and uptake in the MRB</td>
<td>197,000</td>
<td>196,558</td>
<td>442</td>
<td>100%</td>
</tr>
<tr>
<td>Obj. 5: To improve water resources management by establishing and strengthening water related management information system in LVBC</td>
<td>400,000</td>
<td>399,481</td>
<td>519</td>
<td>100%</td>
</tr>
<tr>
<td>Obj. 6: Institutional Capacity Building</td>
<td>392,223</td>
<td>393,653</td>
<td>(1,430)</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>1,470,500</td>
<td>1,470,802</td>
<td>(302)</td>
<td></td>
</tr>
<tr>
<td><strong>IL NO 8.</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Obj. 1: Facilitate governance and institutional arrangements for SEA implementation in MRB</td>
<td>100,000</td>
<td>67,298</td>
<td>32,702</td>
<td>67%</td>
</tr>
<tr>
<td>Obj. 2: Facilitate the implementation of SEA and other INRM strategies and plans for Mara River Basin</td>
<td>223,000</td>
<td>210,685</td>
<td>12,315</td>
<td>94%</td>
</tr>
<tr>
<td>Objective</td>
<td>Description</td>
<td>Budget</td>
<td>Actual</td>
<td>Difference</td>
</tr>
<tr>
<td>-----------</td>
<td>-----------------------------------------------------------------------------</td>
<td>---------</td>
<td>--------</td>
<td>------------</td>
</tr>
<tr>
<td>Obj. 3</td>
<td>To Promote market driven equity and livelihood strategies for ecosystem management</td>
<td>19,000</td>
<td>10,235</td>
<td>8,765</td>
</tr>
<tr>
<td>Obj. 4</td>
<td>To Promote Information Sharing, uptake and dissemination of practices in Mara River Basin</td>
<td>98,000</td>
<td>113,195</td>
<td>(15,195)</td>
</tr>
<tr>
<td>Obj. 5</td>
<td>To Improve water resources management by enhancing policies on water sector reforms in LVB for LWATSAN</td>
<td>180,000</td>
<td>181,619</td>
<td>(1,619)</td>
</tr>
<tr>
<td>Obj. 6</td>
<td>Institutional Capacity Building of the LVBC to undertake its regional mandate</td>
<td>160,000</td>
<td>145,022</td>
<td>14,978</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>780,000</td>
<td>728,054</td>
<td>51,946</td>
</tr>
<tr>
<td>IL NO 9 HEALTH</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Objective 1</td>
<td>Strengthen regional co-ordination, knowledge management and advocacy for integrated Population, Health and Environment (PHE) programs</td>
<td>176,632</td>
<td>176,632</td>
<td>-</td>
</tr>
<tr>
<td>Objective 2</td>
<td>Support and Strengthen the capacity of selected health program positions</td>
<td>123,368</td>
<td>120,697</td>
<td>2,671</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>300,000</td>
<td>297,329</td>
<td>2,671</td>
</tr>
<tr>
<td>IL NO 9 BIORDIVERSITY</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Objective 1</td>
<td>To strengthen resilient and sustainable management of transboundary freshwater ecosystems in the LVB region</td>
<td>130,000</td>
<td>128,968</td>
<td>1,032</td>
</tr>
<tr>
<td>Objective 2</td>
<td>To enhance resilient and sustainable drinking water supply, sanitation and waste water treatment services in the LVB</td>
<td>40,000</td>
<td>39,996</td>
<td>4</td>
</tr>
<tr>
<td>Objective 3</td>
<td>Institutional Capacity Building of the LVBC to undertake its regional mandate</td>
<td>80,000</td>
<td>79,493</td>
<td>507</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>250,000.00</td>
<td>248,457</td>
<td>1,543</td>
</tr>
<tr>
<td>IL 10 HEALTH</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Objective 1</td>
<td>Strengthen regional co-ordination, knowledge management and advocacy for integrated Population, Health and Environment (PHE) programs</td>
<td>300,000</td>
<td>98,962</td>
<td>201,038</td>
</tr>
<tr>
<td>Objective 2</td>
<td>Integrated FP,RH,MCH and Nutrition activities into selected existing environmental conservations of the LVBC</td>
<td>240,000</td>
<td>127,278</td>
<td>112,722</td>
</tr>
</tbody>
</table>
Objective 3: Support and Strengthen the capacity of selected health program positions

<table>
<thead>
<tr>
<th>Objective 3: Support and Strengthen the capacity of selected health program positions</th>
<th>196,000</th>
<th>72,520</th>
<th>123,480</th>
<th>37%</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td>736,000</td>
<td>298,760</td>
<td>437,240</td>
<td></td>
</tr>
<tr>
<td>IL NO 11 PREPARED</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Objective 1: Water and Sanitation</td>
<td>180,000</td>
<td>18,000</td>
<td>162,000</td>
<td>10.00%</td>
</tr>
<tr>
<td>Objective 2: Natural Resources and Biodiversity</td>
<td>420,000</td>
<td>89,964</td>
<td>330</td>
<td>21.42%</td>
</tr>
<tr>
<td>Objective 3: Institutional Capacity Building of the LVBC to undertake its regional mandate</td>
<td>50,000</td>
<td>3,318</td>
<td>46,682</td>
<td>6.64%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>650,000</td>
<td>111,282</td>
<td>538,718</td>
<td></td>
</tr>
</tbody>
</table>

Summary

- EAC SEC Annual expenditures FY 2013/14: $2,930,977
- LVBC Annual expenditures FY 2013/14: $665,656
- EAC SEC Cumulative expenditures to June 2014: $5,545,329
- LVBC Cumulative expenditures to June 2014: $3,818,297
- Total EAC Cumulative expenditures to June 2014: $9,363,626
- USAID total contribution to date: $13,056,000.
- Pipeline balance as at 30th June 2014: $3,692,374.
4.0 CHALLENGES AND WAY FORWARD

4.1 KEY CHALLENGES

The main challenge has been unsynchronized financial years between EAC and USG:

- The EAC Financial Year is from July-June while USG Financial year is October-September;
- The EAC planning and budgeting cycle (MTEF) for the following year starts in August, while USG Funds are generally obligated by October.
- If the funds obligated are meant to be utilized for the on going EAC FY, for which implementation starts in July (3 months before funds are obligated), the requirement is to apply for supplementary budget consideration since the funds are obligated after the EAC MTEF process has been concluded.
- The ideal would be those Funds to be utilized for the following FY, for which budget process starts in August (2 months before funds are obligated), however USAID raised a concern that funds obligated in October cannot be held until July of the following year for implementation.
- The alignment has become very difficult; this year 2013/14 we have tried the supplementary budget, which went through. However, the management of EAC discourages supplementary budget allocations due to the short time available to utilize the funds before end of the EAC financial year. The approval process of the supplementary budget from Finance and Administration Committee all the way to the Council of Ministers and Members of East African Legislative Assembly makes it very tight and long process after which there is no enough time for implementation before the FY ends. Supplementary budget is approved by January /February while the EAC FY ends on 30th June (only 4 months of implementation).

4.2 WAY FORWARD

To address the above challenge, EAC proposed a multi year planning /budget. Once the multi year work plan is approved by USAID, EAC teams will incorporate the approved activities in the subsequent MTEFs. This will allow EAC to automatically access funds once obligated without applying for supplementary budget or waiting for 7 months before implementation can commence.